

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

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In re: :  
ESDENE HANDSOME, III & : In Chapter 13  
NAOMI K. HANDSOME :  
: Bankruptcy No. 17-10535 (JKF)  
Debtors. :  
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**THE CITY OF PHILADELPHIA'S  
OBJECTION TO THE PROPOSED CHAPTER 13 PLAN**

TO THE HONORABLE JEAN K. FITZSIMON:

AND NOW, comes the City of Philadelphia, (the "City"), a secured creditor in the above-captioned case, by and through its Counsel, Joshua Domer, Assistant City Solicitor, pursuant to Bankruptcy Code § 1308(a) and L.B.R. 3015-1(c), to object to the proposed Chapter 13 plan (the "Plan"), of the above-captioned debtors, (the "Debtors"). The City avers the following in support thereof:

1. On or about January 25, 2017, the Debtors filed a voluntary petition (the "Petition") for Chapter 13 bankruptcy with this Court.
2. An amended list of all real property owned by the Debtors was filed on April 3, 2017, which included the property located at 6906 Buist Avenue, Philadelphia, Pennsylvania (the "Subject Property"). A copy of the Debtor's Schedule A is attached hereto as **Exhibit A**.
3. The Subject Property is alleged by the Debtors to have a current value of Sixty Thousand Six Hundred Thirty-Six Dollars (\$60,636.00). See Exhibit A.
4. As neither the Debtors nor another party in interest has objected to the Claim, it is deemed allowed. See 11 U.S.C. § 502(a).

5. On July 10, 2017, the City filed a claim to the amount of Five Thousand Seven Hundred Seventy-Two Dollars and Seventy-Four Cents (\$5,772.74) which represents real estate taxes and non-liquidated claims on the Subject Property (the “Secured Claim”). A copy of the proof of claim filed by the City is attached hereto as **Exhibit B**.

6. As neither the Debtors nor another party in interest has objected to the Secured Claim, it is deemed allowed. See 11 U.S.C. § 502(a).

7. On January 25, 2017, the Debtors filed the Plan, which provides for an incorrect secured payment in the amount of Three Thousand Six Hundred Twenty Dollars and Thirty-Nine Cents (\$3,620.39) to the City and fails to provide for post-petition interest to the Secured Claim. A copy of the Plan is attached hereto as **Exhibit C**.

8. The post-petition interest applicable to the real estate tax portion of the Secured Claim is the nine percent (9%) interest rate on real estate taxes assessed on the Subject Properties. See 11 U.S.C. § 511(a), Phil. Code § 19-1303, In re Bernbaum, 404 B.R. 39, 43 (Bankr. D. Mass. 2009), and In re Soppick, 516 B.R. 733, 753 (Bankr. E.D. Pa. 2014).

9. The Claim includes an unliquidated amount for Business Income & Receipts Taxes and Net Profit Taxes for which the Debtor was obligated to file returns but had failed to do so.

10. As of July 19, 2017, the Debtor has failed to file the following required tax returns with the City of Philadelphia:

**Business Income and Receipts Tax** returns for periods: 12/31/2012, 12/31/2013, 12/31/2014, 12/31/2015 & 12/31/2016

**Net Profit Tax** returns for periods: 12/31/2012, 12/31/2013, 12/31/2014, 12/31/2015 & 12/31/2016

11. The Plan should not be confirmed as the Debtor has failed to file all tax returns for all taxable periods ending during the four (4) year period ending on the date of the filing of the petition. See 11 U.S.C. § 1308(a).

12. The Plan should not be confirmed as it fails to provide accurate post-petition interest on the Secured Claim and thus does not ensure that distributions under the plan are not less than the allowed amount of the Secured Claim. See 11 U.S.C. §§ 506(b), 1325(a)(5)(B)(ii), In re Bernbaum, 404 B.R. 39, 42 (Bankr. D. Mass. 2009) and In re Soppick, 516 B.R. 733, 753 (Bankr. E.D. Pa. 2014).

WHEREFORE, the City respectfully requests that this Court DENY confirmation of the Plan.

Respectfully submitted,

THE CITY OF PHILADELPHIA

Dated: July 19, 2017

By: /s/ Joshua Domer  
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